SIDLEY AUSTIN BROWN & WOOD LLP

CHICAGO	1501 K STREET, N.W.	BEIJING
DALLAS	WASHINGTON, D.C. 20005	GENEVA
	TELEPHONE 202 736 8000	
LOS ANGELES	FACSIMILE 202 736 8711	HONG KONG
NEW YORK	www.sidley.com	LONDON
SAN FRANCISCO	FOUNDED 1866	SHANGHAI
		SINGAPORE
		TOKYO

WRITER'S DIRECT NUMBER
(202) 736-8250

WRITER'S E-MAIL ADDRESS
ageolot@sidley.com

April 14, 2003

REDACTED – For Public Inspection

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *In the Matter of Application of SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. -03-16* **Ex Parte Filing**

Dear Ms. Dortch:

AT&T respectfully submits this ex parte letter to provide additional evidence of SBC's inability to provide accurate wholesale bills, and to respond to SBC's most recent submission concerning the accuracy of its billing for UNE-P usage.

SBC now admits, as it must, that its wholesale bills in the past have been inaccurate.[1] It nevertheless claims that its future wholesale bills will be accurate. It contends that the "data bash" was the last step necessary to complete the transition from ACIS to CABS, that it is not generating inaccurate charges for UNE-P usage,[2] that the data bash did not affect NRCs, and that the updating of the CABS database did not affect SBC's ability to generate UNE-P usage successfully because usage charges are generated at the end-office level.[3] The record does not support these claims. SBC's own data, provided to CLECs for the first time in connection with the data bash, confirm that SBC continues to make significant wholesale billing errors, and that the data bash (or the CABS conversion process itself) has adversely affected

---

[1] Letter from Geoffrey M. Klineberg to Marlene H. Dortch, Att. at 3-4 (April 11, 2003) ("SBC April 11, 2003 Ex Parte"); Letter from Geoffrey M. Klineberg to Marlene H. Dortch, Att. at 3-4 (April 3, 2003) ("SBC April 3 Ex Parte").
[2] *See, e.g.* Brown/Cottrell/Flynn Reply Aff. ¶ 23 n.21.
[3] SBC April 11, 2003 Ex Parte, Att. at 3.

SBC's ability to generate accurate usage records. When viewed together with AT&T's data, SBC's data belie SBC's claim that it will now generate accurate wholesale bills.[4]

To begin with, SBC's records make clear that SBC is not generating accurate bills for UNE-P usage. In prior filings, AT&T has shown that comparison of SBC records provided to CLECs in connection with the data bash with unbillable usage records demonstrated that SBC was providing usage detail to AT&T for customers that SBC's own records showed were no longer AT&T customers. *See* Letter from Alan C. Geolot to Marlene H. Dortch at 3 (March 21, 2003) ("AT&T Billing Ex Parte"); Supplemental Comments of AT&T at 11 (April 9, 2003). AT&T continues to review the supporting information from SBC's data bash.[5] In addition, AT&T has revised its calculations to reflect SBC's restated data as to the number of customers for whom SBC has erroneously shown as having disconnected AT&T local service.[6] AT&T has

---

[4] In its April 11 Ex Parte, SBC continues to argue that BearingPoint's testing supports the reliability of SBC's wholesale billing systems, and fails to rebut AT&T's principal reasons stated in its Supplemental Comments of AT&T (at 6-7) why BearingPoint provides no support for SBC's position. As AT&T explained, BearingPoint completed its testing of UNE-P order processing in July 2002, during the period that hundreds of thousands of orders were being held for processing by SBC and well before the January 2003 data bash. Moreover, BearingPoint's testing would not have uncovered any of the problems at issue in the data bash because BearingPoint used its own test transactions but did not examine any of the 750,000 CLEC orders that were subject to SBC's "hold" in connection with the CABS conversion. Thus, the data cited by SBC is infirm because it does not include these hundreds of thousands of held orders. Finally, BearingPoint has done no testing after the data bash to determine whether the problems identified in the data bash have been resolved, and thus SBC can draw no comfort from the BearingPoint testing.

[5] AT&T's review of SBC's data bash information has been very limited to date and is still in its early stages, having been significantly delayed by SBC's failure to provide supporting information at the time of the data bash results in February. To date, AT&T has had access only to the February supporting information provided in SBC's February wholesale bill as that is the only data loaded into AT&T's data warehouse under AT&T's once-per-month loading policy. *See* AT&T Billing Ex Parte at 6. In addition, AT&T has had to run special programs to review and compare the various forms of data because SBC refused to provide the data in spreadsheet form.

[6] In the AT&T Billing Ex Parte, AT&T described a review it had conducted in early March 2003 based on the SBC data bash telephone number information for customers denominated as "D," meaning that they were no longer receiving AT&T service and had been incorrectly billed to AT&T. As part of that review, as here, AT&T compared these telephone numbers with numbers in its Message Investigative Unit database. As reported in the AT&T Billing Ex Parte, the results of that review indicated that in Michigan more than 200 telephone numbers with almost 18,000 message units were provided to AT&T even though SBC identified the customer in the data bash as no longer receiving AT&T service. SBC subsequently revealed that it had

determined that, for the six-month period from September 2002 to early March 2003, and for Michigan alone, SBC has erroneously submitted usage messages to AT&T for at least 187 telephone numbers. Each of these is a telephone number for which SBC sent AT&T usage messages *after* the date that SBC's own data bash records show that the customer's AT&T service was disconnected. The number of erroneous messages is substantial: SBC sent AT&T at least 15,972 usage messages for these 187 telephone numbers. For Illinois, the figures are higher still. SBC sent AT&T at least 27,418 post-disconnect usage messages on at least 1,266 telephone numbers. AT&T notes that the estimates above are "at least" this high because the estimates are conservative. The total number of usage messages is likely higher than what is reported, because AT&T's analysis captured only those usage messages that SBC sent for the six month period from September 2002-early March 2003, and this did not include either the entire month of March 2003 or the full eighteen-month period covered by the data bash. And both the number of messages and the number of affected telephone numbers is likely higher, because AT&T has only reviewed usage records that reside in its Message Investigative Unit ("MIU") database, which is a database of usage records for which AT&T has not yet billed the customer because the usage cannot be associated with a current customer. Thus, the erroneous assignment of usage messages to AT&T revealed here likely captures only part of the problem.

The errors in SBC's usage data do not end here. It is unlikely that SBC's usage errors are confined solely to AT&T. Thus, to the extent that SBC has sent another CLEC UNE-P usage records for dates after that CLEC's former customer had switched to AT&T, SBC's erroneous usage messaging has denied AT&T the ability to capture and bill for its own customer's UNE-P usage, and thus has directly and negatively affected AT&T's revenue. And even if (as seems unlikely) SBC has committed these errors only on AT&T's bill, it remains the case that – to the extent AT&T's former customers switched to other CLECs – those other CLECs were denied the opportunity to receive accurate usage messages and to bill for that usage.

Either way, SBC's failure to implement systems to provide CLECs with accurate wholesale bills has directly and adversely affected AT&T's and other CLECs' ability to recover the revenues associated with their customers' usage of their UNE-P based local service. SBC suffers no comparable impediments. SBC's failure to implement non-discriminatory systems for generating accurate UNE-P messages alone demonstrates that it has not fully implemented the competitive checklist, and for that reason alone its application should be denied.

SBC's tardy objection that the conversion from ACIS to CABS could not affect the end-office based generation of usage messages is a smokescreen. The point is that in conducting the data bash, SBC generated and supplied to CLECs the data contained in SBC's

---

erroneously removed from the data bash approximately 1100 Michigan residential telephone numbers (and 3000 regionwide) representing working UNE-P lines (the "SBC Second List"). AT&T performed a new data review to take account of these 1100 Michigan telephone numbers erroneously excluded by SBC, and the revised results for Michigan and Illinois are stated in the text above.

own systems concerning the date on which a CLEC's customer disconnected service. That data permits a CLEC to compare those disconnect dates against the dates for usage messages that SBC has separately generated for CLECs. By looking at both sets of data, one can determine the number of telephone numbers and number of messages assigned to AT&T after the SBC-established disconnect date. It is SBC's data, provided through the data bash, that conclusively show that SBC is misdirecting UNE-P usage. To further illustrate the problem, AT&T hereby submits, on Confidential Attachment 1, eight illustrative examples (from the 187 Michigan telephone numbers noted above) of SBC's erroneous assignment of usage messages.[7] In each example, the working telephone number ("TN") is provided, along with the date, time and number called associated with the last usage message for that TN reflected in AT&T's MIU database, and the date identified by SBC in the data bash as the date the customer dropped AT&T service, and the date of the service credit given by SBC.

Thus, to take the first example, the SBC data bash records indicate that this customer dropped AT&T service on November 14, 2002, and that SBC issued a credit for that customer for the period November 14, 2002 to February 7, 2003. SBC has also, however, provided AT&T with usage messages associated with this telephone number that show usage on January 16, 2003, over two months after SBC's data bash records show that AT&T lost the customer. The other examples show similar usage problems, with post-disconnect usage messages being sent to AT&T for periods after disconnect lasting from 2 weeks to almost 9 months.

The foregoing problems, it must be stressed, are all evident on the face of data SBC has provided to AT&T. But the problems with SBC's systems go deeper still, as the following discussion of the fourth of the telephone numbers listed on Confidential Attachment 1 makes clear.

That number appears on two separate data bash lists. After SBC sent AT&T an initial list of TNs affected by the data bash, it then sent a subsequent list (the SBC Second List), which was explained to AT&T as a list of TNs that were erroneously shown as disconnected in connection with the first data bash. As a result, one would expect that the bill adjustments associated with this TN would show both a credit (as a result of the first data bash) and then a debit (as a result of correction made in connection with the SBC Second List). But the OC&C section of AT&T's February bill for this TN shows *two credits* – one for the period from

---

[7] The Confidential version includes the telephone numbers at issue. The provision of eight examples reflects the short time available to AT&T to compile and present this information. AT&T has no reason to believe that the eight examples are not representative of the remaining telephone numbers for which SBC sent post-disconnect usage messages, but has not yet had time to complete its review of all of the relevant data.

October 31, 2002, through February 7, 2003, and another for the period February 10, 2003 through March 7, 2003.[8]

AT&T has also examined its own records with respect to this telephone number. AT&T's records show that the customer whose number is at issue started AT&T service on October 31, 2002 and left AT&T service on February 10, 2003. AT&T has received usage data from SBC for this line, however, for February 14, 2003, well after the date that SBC's records show AT&T losing the customer (October 31) and after the date that AT&T's records show that the customer was lost (February 10). Moreover, SBC should never have generated a "credit" for the period of October 31, 2002 through February 10, 2003, since this was in reality the time that AT&T was serving the customer. But having done so, SBC should have then issued a debit for this period. Instead, SBC has generated another credit and additional usage messages for the post-disconnect period. Finally, SBC's failure to issue any correction (whether debit or credit) for the period between February 7 and February 10 remains a mystery.

Moreover, the credits and debits associated with a ninth TN on the attached list demonstrate another inconsistency in SBC's arguments about the data bash and its impact. In recent ex partes, SBC has stated that the data bash did not involve NRCs.[9] But that statement is inconsistent with AT&T's experience. For that number, SBC showed a credit for the period January 10 to February 7, and, without explanation (*i.e.* the TN was not on SBC Second List), a debit for the same period. In addition, on January 10, SBC applied a "one-time charge" to this number for the port NRC in the amount of $12. Thus, it is clear from this example alone that the data bash affected NRCs.[10]

In sum, far from ending all questions about the accuracy of SBC's wholesale bills, the evidence generated by SBC's post-application data bash has confirmed that SBC has serious and unresolved problems in generating accurate wholesale bills. SBC's own data confirm that it cannot yet reliably provide CLECs with accurate UNE-P usage messages. The discrepancies

---

[8] It is also perplexing that the second credit for the period from February 10, 2003 through March 7, 2003 appears on AT&T's February wholesale bill.

[9] *See* SBC April 11 Ex Parte, Att. at 3 & Wyban Declaration; Letter from Geoffrey Klineberg to Marlene Dortch, Att. D at 4 (March 14, 2003).

[10] Thus, SBC's own records show that NRCs were included in the data bash and, as a result, the Wyban declaration (that "NRCs were not involved in the reconciliation") is entitled to no weight. It is also noteworthy that Ms. Wyban nowhere directly refutes Ms. Marin's statement that, on the March 18th call, Ms Wyban stated to AT&T that "SBC had applied incorrect NRC rates in connection with the January 2003 data bash and that SBC would be issuing a further adjusted bill to correct for those incorrect NRC rates." Indeed, Ms. Wyban nowhere affirmatively states that the SBC applied the correct NRCs in issuing its most recent wholesale bills, or denies that SBC will have to issue a corrected bill in the future. In any event, as set forth in the Declaration of Shannie Marin dated April 9, 2003, Ms. Wyban's recollection of that meeting is incorrect.

between the two credits noted in connection with the fourth TN and SBC's stated purpose in providing the SBC Second List suggest either that SBC has yet to reveal all that was involved in preparing the SBC Second List, or that errors remain in SBC's data notwithstanding its hoped for "final quality assurance" exercise (or both). And the credits and debits associated with NRCs demonstrate that SBC's claims that NRCs were not affected by the data bash are false. Finally, the inconsistencies between AT&T's records of customer termination dates and SBC's suggest that absent an opportunity for further review and reconciliation of SBC's billing data with that of CLECs, it is premature to conclude that SBC's billing data is free of yet further errors.

SBC's own data thus confirm that SBC has not fully implemented its checklist obligation to provide CLECs with nondiscriminatory UNE-related billing support. SBC's 271 application for Michigan should therefore be denied.

Yours sincerely,

/s/ Alan C. Geolot

Alan C. Geolot

cc: Attachment

cc: Christopher Libertelli
                Matthew Brill
                Jessica Rosenworcel
                Daniel Gonzalez
                Lisa Zaina
                Michelle Carey
                John P. Stanley
                Gina Spade
                Marcus Maher
                Susan Pié
                Layla Seirafi-Najar
                Ann Schneidewind

Examples of Michigan Consumer TNs in Data Bash Associated with Improper Usage

TN	Date of Call	Connect Time	To Number	SBC Removal Date	Date of Service Credits
	1/22/03	165547		11/14/02	11/14/02-2/7/03
	1/16/03	175704		4/23/02	4/23/02-2/7/03
	1/17/03	135357		12/31/02	12/31/02-2/7/03
	2/14/03	151418		10/31/02 and 2/10/03	10/31/02-2/7/03 and 2/10/02-3/7/03
	2/19/03	104905		11/19/02	11/19/02-2/7/03
	3/06/03	161625		11/27/02(but added back in on 1/17/03)	11/27/02-2/7/03 (but debit issued from 1/17/03-2/7/03)
	2/17/03	143439		12/4/02	12/4/02-2/7/03
	3/10/03	184036		10/14/02	10/14/02-2/7/03

	1/17/03	141413		1/10-2/7 (but also applied debit from the period of 1/10-2/7, even though TN was not on SBC's Second List)	unable to determine if usage was incorrect or not because of credit and debit being applied; but $12 NRC for measured port was improperly applied on 1/10/03.